

# INTRODUCTION TO REAL ESTATE

Levels: Grades 10-12

Units of Credit: 1 Semester (.5)

CIP Code: 08.1701

Prerequisite: None

## COURSE DESCRIPTION

Students will be introduced to real estate basics that include the scope of the real estate business, usage of land, land description, ownership, contracts, deeds, mortgages, title search and closes, liens, financing sources, the appraisal process, investments in real estate, and the sales and marketing process. Students will broach real estate marketing and sales through ethics, human, employee, and customer relations, use of product knowledge, and the use of advertising and the media. Exposure to real estate terminology, forms, and contracts is an integral part of this class.

### STANDARD 08.1701-01

**Students will understand economics and the market as it relates to real estate.**

#### OBJECTIVES

08.1701-0101

Determine the scope of the real estate business.

- Identify specialized areas.
- Discuss how real estate is at work all around us.
- Discuss real estate as a trend indicator.
- Discuss the variety of supporting activities.
- Identify the impact on other industries.

08.1701-0102

Develop an understanding of the nature and characteristics of land.

- Accurately define and understand the definition of real property.
- Understand the nature of land.
- Understand the physical and economic characteristics of land.
- Identify ways in which land is created.
- Evaluate man's limitations in dealing with land.

08.1701-0103

Understand the many uses of land.

- Understand the concept of highest and best use.
- Describe the most important considerations for each type of land; soil types, weather, view, and access.
- Evaluate trends in the local area involving the transition of use, and determine how these trends affect the student and their community.

08.1701-0104

Determine forces influencing the market for land.

- Understand the concept of supply and demand.
- Know how employment has an impact on the market for land.
- Understand government regulations and their impact .
- Describe the social environment of the student's community and its impact on the market for land.

- 08.1701-0105 Determine the importance of understanding the practices of identifying land and legal descriptions.
- Understand the purpose and usage of a legal description.
  - Identify the five frequently used approaches to describing property.
  - Identify the Great Salt Lake Meridian and Base.
  - Write a description of property, and be able to draw it.
  - Know how to figure acreage in a section of a township.
  - Know number of square feet in an acre (43,560).

**STANDARD**  
08.1701-02

**Students will understand property rights and the fundamentals of ownership.** (Chapter 2)

OBJECTIVES  
08.1701-0201

Develop an awareness of the different types of property ownership and the need for deeds.

- Understand the concept of bundle of rights.
- Identify the different types of freehold interests.
- Define the different types of property ownership.
- Understand the steps leading to adverse possession.

08.1701-0202

Develop an understanding of various types of contracts and the important part they play in real estate.

- Accurately define contract.
- Understand the four elements necessary for a contract to be a legal, valid document.
- Discuss the use of contracts in real estate.

08.1701-0203

Develop an understanding of deeds and the part they play in real estate.

- Define deed.
- Identify the items necessary to make a deed valid.
- Identify the uses and different types of deeds.

**STANDARD**  
08.1701-03

**Students will understand the methods of financing.** (Chapter 3)

OBJECTIVES  
08.1701-0301

Develop an understanding of mortgages and methods of financing real estate investments.

- Understand the various sources of funds for home mortgages.
- Identify the different types of government mortgage institutions.
- Discuss the secondary mortgage market.

08.1701-0302

Determine the scope of home ownership.

- Understand the scope and responsibilities of home ownership.
- Determine the necessary steps in shopping for a home.
- Understand the importance and usage of credit and credit reports.
- Identify parts of a Loan Application (Form 1003); Personal and Property Information, Employment, Income, Assets & Liabilities.
- Determine income qualification requirements.

08.1701-0303

Develop an understanding of the title search and closing process.

- Discuss the need for the title search.
- Review the types of ownership.
- Understand the terminology associated with real estate closings.
- Discuss the obligations of a borrower.

**STANDARD**  
08.1701-04

**Students will understand the need for and usage of the evaluation process.** (Chapter 4)

**OBJECTIVES**  
08.1701-0401

- Develop an understanding of the steps in the appraisal process.
- Identify the six steps in the appraisal process.
  - Determine the approach best suited to the appraisal of different types of property.

08.1701-0402

- Determine the requirements necessary to become an appraiser.
- Determine the need for real estate appraisers.
  - Identify the requirements for the different appraisal designations.
  - Understand appraising regulations and their application to real estate agents.

**STANDARD**  
08.1701-05

**Students will develop a knowledge of financial and real estate investing.**  
(Chapter 5)

**OBJECTIVES**  
08.1701-0501

- Develop an understanding of the principles of real estate investing.
- Identify trends influencing real estate values.
  - Identify different types of investments in real estate.
  - Identify other investments that allow an individual to diversify their investment dollar.
  - List pros and cons of investing in real estate vs. the stock market.
  - Understand the risks involved in any type of investment.

08.1701-0502

- Determine the impact of real estate investment and income tax.
- Understand the approaches to taxation.
  - Discuss the tax deductions that are directly associated with ownership of real estate.
  - Define capital gain.

08.1701-0503

- Develop an understanding of real estate math.
- Know how to figure simple interest.
  - Using rule of 10's, determine the approximate principal and interest payment on a loan.
  - Know how to calculate commission and splits with other agents.
  - Know how to calculate capitalization rate.

**STANDARD**  
08.1701-06

**Students will understand the selling process as it relates to real estate.**  
(Chapter 6)

**OBJECTIVES**  
08.1701-0601

- Determine the importance of selling in real estate.
- Identify why selling is necessary.
  - Discuss Maslow's Hierarchy of Human Needs and how it applies to real estate.
  - Identify preparation required to make an effective sales presentation.
  - Determine characteristics of a successful salesperson.
  - Identify general expenses of real estate agents.

08.1701-0602

- Determine the steps in the sales process.
- Identify the steps in making a sale.
  - Determine what information should be included in a Comparative Marketing Analysis (CMA)

08.1701-0603

- Develop an understanding of the different types of prospects and customers.
- Identify the various buying motives.
  - Know how to appeal to different buying motives.
  - Identify various personality types and characteristics.
  - Know how to respond to the needs of different personalities.

08.1701-0604

- Understand the importance of ethics in real estate.
- Identify examples of Code of Ethics violations.

**STANDARD**  
08.1701-07

**Students will understand how real estate marketing utilizes marketing, promotions, and the media.** (Chapter 7)

## OBJECTIVES

08.1701-0701

Determine the scope of marketing in real estate.

- Define and identify the elements of the marketing mix.
- Define and identify the elements of the promotional mix.
- Identify the forms of promotions most frequently used in real estate.
- Understand the usage of target marketing.

08.1701-0702

Identify effective advertising techniques.

- Define AIDA (Attention, Interest, Desire, Action) and discuss how it applies to advertising.
- Know general advertising terminology.
- Know general advertising guidelines.
- Discuss how advertising appeals to buying motives.

08.1701-0703

Discover the range of advertising media available.

- Identify print, broadcast, outdoor/transit, and specialty media.
- Discuss the pros and cons of the various types of media in real estate.

## **PERFORMANCE OBJECTIVES**

PO-01 Identify local real estate values and market conditions. (Standard 08.1701-0103)

PO-02 Develop a workable master plan for the area student lives in. (Standard 08.1701-0104)

PO-03 Compare mortgage rates and fees. (Standard 08.1701-0301)

PO-04 Calculate qualification for a loan. (Standard 08.1701-0302)

PO-05 Apply the comparable appraisal process to understand value. (Standard 08.1701-0401)

PO-06 Calculate simple interest. (Standard 08.1701-0503)

PO-07 Calculate commission and splits with other agents and brokers. (Standard 08.1701-0503)

PO-08 Utilizing knowledge of advertising layout and guidelines, create an advertisement or promotional tool to promote a specific property. (Standard 08.1701-0702)

## **REFERENCE MATERIALS**

The text for this course is available through Dale Stephens, State Marketing Specialist, by calling (801) 538-7867.